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<u>REMARKS</u>

The Office Action in the above-identified application has been carefully considered and this amendment has been presented to place this application in condition for allowance.

Accordingly, reexamination and reconsideration of this application are respectfully requested.

Claims 1-3, 5-19, 28-30, 35, and 38-39 are in the present application. It is submitted that these claims, are patentably distinct over the prior art cited by the Examiner, and that these claims are in full compliance with the requirements of 35 U.S.C. § 112. The changes to the claims, as presented herein, are not made for the purpose of patentability within the meaning of 35 U.S.C. sections 101, 102, 103 or 112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled.

Claims 1-17 and 28 were rejected under 35 U.S.C. §103(a) as being unpatentable over Katz et al. (U.S. Patent No. 6,055,513) in view of Alloul et al. (U.S. Patent No. 6,032,130) and Levine et al. (U.S. Patent No. 6,209,094). Claims 29, 35 and 39 were rejected under 35 U.S.C. §103(a) as being unpatentable over Alloul in view of Katz. Claims 28, 38, 40 and 41 were rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Alloul.

Claims 1, 18 and 19 have been amended to clarify that the preview version of the multimedia material is formed with <u>perceivable</u> impairments. As clearly identified in the specification, an effect of the impairments is to degrade the form of the preview version. Furthermore, as indicated on page 3, lines 26-30, the impairments may be formed by embedding data into the multimedia material. For example, for video material the data embedded in the video material may form a visible watermark. Accordingly, it is clear from this expression and

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from the claim as originally filed, that the impairments introduced into the material to produce the reduced quality representation of the material are intended to be user perceivable. Hence, the claims express the impairment as reduced quality representations of the material the representation being as perceived by a user.

The Examiner alleges that Levine discloses a preview version of the multimedia items which are received from one or more vendors. However, there is no disclosure in Levine or any of the cited references to preview versions of material. Furthermore, there is no disclosure of these being received from vendors. More importantly, Levine teaches watermarking material to the effect that the watermark is not perceivable to a user. For example, in column 5, lines 3-5, it is stated that for an audio signal, inclusion of a basis signal (watermark signal) with the audio signal would be imperceptible to a human listener of the substantive audio content of the audio signal. Furthermore, even in the cited passages between column 6, line 60 and column 7, line 29, Levine refers to quantization which has an effect of degrading the digital signal by a predetermined constant amount which is selected near the limit of human perception. Accordingly, Levine teaches that the watermark data is added to parts of an audic signal which can tolerate extra noise without being perceptible to a human listener and the quality of the audio signal is not compromised. Hence, Levine does not disclose providing preview versions of multimedia material formed with perceivable (visible) impairments produced by generating a reduced quality representation of the material, to the effect that an amount of data required to represent the material is substantially reduced. Further, the reduction in quality is not disclosed as discouraging copying of the multimedia material.

Secondly, the multimedia transaction processor according to the limitations of claim 1 cannot be formed from a combination of Katz and Alloul because there is no disciosure of a

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media server storing data identifying the vendor of the multimedia material with the preview version of the multimedia material.

As disclosed in the application, the inventive concept is to provide a multimedia transaction processor which allows vendors to vend multimedia material by presenting a preview version of the material with metadata and an identification of the vendor to the multimedia transaction processor. The media server allows buying clients to download the preview version of the multimedia material items and in response to a request to order the multimedia material from the buyer client, a transaction controller communicates to the vendor identified by the stored identification the request to order the multimedia material. This inventive concept is not disclosed in a combination of Katz and Alloul.

Furthermore, we note the Examiner completely misses this claim limitation in his analysis in which he refers to column 10, lines 41-57 of Alloul. This passage of Alloul seems to disclose metadata, but there is not indication of data identifying the vendor of the material being stored in association with a preview version.

Accordingly, Katz, Alloul, and Levine, either alone or in combination, fall to teach, suggest or provide the requisite motivation for a skilled artisan to practice the instantly claimed invention and the rejected claims should now be allowed.

In view of the foregoing amendment and remarks, it is respectfully submitted that the application as now presented is in condition for allowance. Early and favorable reconsideration of the application are respectfully requested.

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No additional fees are deemed to be required for the filing of this amendment, but if such are required, the Examiner is hereby authorized to charge any insufficient fees or credit any overpayment associated with the above-identified application to Deposit Account No. 50-0320.

If any issues remain, or if the Examiner has any further suggestions, he/she is invited to call the undersigned at the telephone number provided below. The Examiner's consideration of this matter is gratefully acknowledged.

Respectfully submitted, FROMMER LAWRENCE & HAUG LLP

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